IMPORTANT BUDGET INFORMATION
PLEASE READ IMMEDIATELY

MEMORANDUM

Date: **February 24, 2004**

To: **District/Charter Superintendents, Business Managers, Administrators, and Technical Directors**

Cc: **Becky Hill, Policy Advisor/Education, Office of the Governor**
Tacy Ashby, Deputy Superintendent of Public Instruction
DJ Harper, Communication and Outreach Manager, GITA

From: **Hayford Gyampoh, Deputy Associate Superintendent, IT**
Vicki Salazar, Associate Superintendent, Financial Services

Subject: Changes in Apportioning ADM with Concurrent Enrollment

In order to be in compliance ADE is obligated under ARS §15-185.C to change the method of apportioning ADM with concurrent enrollment. Please refer to the February 2, 2004 memo from School Finance at:
http://www.ade.az.gov/schoolfinance/BulletinBoard/Districts/ConcurrencyNotification.pdf

> ARS 15-185. Charter schools; financing; definitions
>
> C. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the sum of the daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 2, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 6, for that pupil in the school district and the charter school shall not exceed 1.0. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the department of education shall direct the average daily membership to the school with the most recent enrollment date. Upon validation of actual enrollment in both a charter school and a public school that is not a charter school and the sum of the daily membership or daily attendance for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the public school and the charter school based on the percentage of total time that the pupil is enrolled or in attendance in the public school and the charter school. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this section. [*underline added for emphasis*]

ADE has begun the process of changing SAIS to comply with Statute ARS §15-185.C. The result of the change is that students having enrollment concurrencies in categories covered by the statute must have their funding split according to the statute. These changes will be **retroactive** to the beginning of Fiscal Year 2003-04.

Impact of the change: most LEAs can expect to see a reduction in ADM counts.

The following summarizes our implementation of the statute and describes what is needed from each LEA to determine the correct funding split for the students involved.

Phase 1: New Report. A new "Charter/Public Concurrencies Report" report has been created, the sdADMS80-1. This real-time report is available at a school level through Common Logon / Student Detail Data Interchange / Download / Reports. It shows every student at a school (in last name sequence) who falls into the concurrent funding split category. Specific details will be displayed of both the student's membership and the LEA where the student has the concurrency; included are the student's enrollment date and (where appropriate) withdrawal date.

We urge every LEA to use the Charter/Public Concurrencies report to assess the concurrency situation at their schools. The LEA's staff then needs to ensure that enrollment dates, FTE, and withdrawal dates (where appropriate) are correct. If incorrect, appropriate steps must be taken to correct them.

Phase 2: Validation application. Within a few weeks, ADE will launch a Validation application as the second phase of this implementation. It will be available to those with access to Common Logon / Student Detail Data Interchange, located under the maintenance section. When the application is available, both School Finance and MIS will post notices on their respective Bulletin Boards.

The Validation application will be nearly identical to the sdADMS80-1 report. It will, however, have an added check box to be used to validate membership details.

This is the process that is needed—An LEA staff member is to:

1) access the Validation application
2) determine the membership accuracy for students at their schools
3) mark the check box wherever a student's membership is valid
4) click the Update button

(NOTE: along with each student's validation, the application will record the Common Logon user ID of the person who checks the validation box.)

When Phase 2 is implemented, and aggregation is run for an LEA, the validations will be taken into account for the funding split for the students involved.

Here is an example to help clarify the Validation process:

Student A attends charter school 1 with an enrollment date of 8/15/2003, and an FTE of 1.0. Student A also attends district school 2 with an enrollment date of 8/17/2003, and an FTE of 1.0.

According to Statute and the rules implemented for this funding process:

a) If NEITHER school 1 nor school 2 validate this students enrollment
   - school 1 will receive full funding for the student for 8/15/2003 and 8/16/2003 and then receive no further funding for this student
   - school 2 will receive full funding for this student from 8/17/2003 onwards

b) If school 1 validates their membership for this student, but school 2 does not validate their membership
   - school 1 will receive full funding for the student from 8/15/2003 onwards
   - school 2 will receive no funding for this student

c) If school 2 validates their membership for this student, and school 1 does not validate their membership,
   - the same result will apply as in (a), above

d) If school 1 and school 2 validate their memberships for this student
   - school 1 would receive full funding for the student for 8/15/2003 and 8/16/2003
   - school 1 would receive .5 of the funding from 8/17/2003 onwards
   - school 2 would receive .5 of the funding from 8/17/2003 onwards

e) If school 1 sends in a withdrawal for this student for 8/16/2003
   - the student would no longer appear on the concurrency report or application and no funding split would need to occur

f) If the schools believe this concurrency is in fact incorrect, their first action should be to contact the concurrent school involved and attempt to resolve the situation. Should this fail, this concurrency may be brought to the attention of School Finance staff, who will further investigate the situation. They are able to overrule the validation flag for any student and any membership, where necessary.

Data can change on a daily basis, so it would be appropriate for LEAs to set up procedures that will ensure that the report and application are checked and updated on a regular basis.

If you have any questions or support issues concerning this process, please contact your local RTC or School Finance for assistance.